

2009 JUN 30 P 1:45

**AMENDED
RESOLUTION NO. 2009-11**

CINDY MURRAY

**A RESOLUTION ADOPTING A SUMMARY & FISCAL PLAN AND DEFINITE
POLICY REGARDING THE ANNEXATION OF CERTAIN LANDS INTO THE
CITY OF LAFAYETTE, INDIANA****2009 ANNEXATION**

WHEREAS, there are certain tracts of land located outside of, but contiguous to, the City of Lafayette, Indiana; and

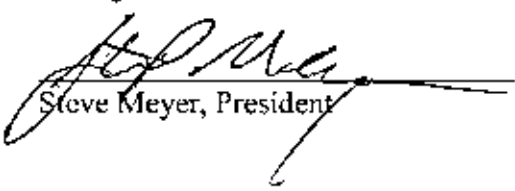
WHEREAS, the said tracts listed in EXHIBITS 1-4 (Properties and Financials) are desired by the City of Lafayette to be annexed into the City pursuant to Indiana Code § 36-4-3-2.1; and

WHEREAS, pursuant to Indiana Code § 36-4-3-2.1, the Common Council may adopt and approve a fiscal plan and definite policy regarding the proposed annexation.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LAFAYETTE, INDIANA AS FOLLOWS:

Section 1. The 2009 Annexation Summary and Fiscal Plan attached as Exhibit 5 and incorporated by reference is hereby ratified and approved.


PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF LAFAYETTE, INDIANA ON THIS 6 DAY OF July, 2009.


Steve Meyer, President

ATTEST:


Cindy Murray, City Clerk

PRESENTED BY ME TO THE MAYOR OF THE CITY OF LAFAYETTE, INDIANA, ON THE 6 DAY OF July, 2009.


Cindy Murray, City Clerk

THIS RESOLUTION APPROVED AND SIGNED BY ME ON THE 6 DAY OF
July, 2009.

Tony Roswarski
Tony Roswarski, Mayor

ATTEST:

Cindy Murny
Cindy Murny, City Clerk

Sponsor: Mayor Tony Roswarski

2009 VOLUNTARY ANNEXATION PROPERTIES - 6-09

[illegible]

2009 INVOLUNTARY ANNEXATION PROPERTIES - 6-09

[illegible]

2009 VOLUNTAR ANNEXATION FINANCIALS - 6-09

116-0113-79-02 1-8 0-75 20-9 14C C09D5 DTC4, 010 14C-C05050-15 any other new key number 7148-048230-473; in the case of any
other model make a note of the year, make, model, and type

2009 INVOLUNTARY ANNEXATION FINANCIALS - 8-09

* 20 Pay 05 Towns - Quarterly paid \$15,034.55 based on AV of \$1,110,500. AV changed to \$289,400 with refund of \$2,515.80 (\$18,034.55 - \$15,015.80 = \$3,018.75)

100 Percentiles	\$2,149,367	73.67%	402.52%	142.03%	2471.84%
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**EXHIBIT 5 ANNEXATION SUMMARY & FISCAL PLAN
2009 VOLUNTARY AND INVOLUNTARY ANNEXATION AREA**



**City of Lafayette, Indiana
Tippecanoe County**

**ANNEXATION
SUMMARY AND
FISCAL PLAN**

2009 ANNEXATION AREA

July 2009

Lafayette Community Development &
Redevelopment Departments
Lafayette City Hall
20 North 6th Street
Lafayette, IN 47901-1412
(765) 807-1090
FAX (765) 807-1099

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City of Lafayette, Indiana
Tippecanoe County

ANNEXATION SUMMARY AND FISCAL PLAN

2009 ANNEXATION AREA

July 2009

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2009 ANNEXATION SUMMARY AND FISCAL PLAN

SUMMARY

2009 Annexation Area

The **2009 Annexation Area** is made up of three distinct areas. These areas are located east and south of the present boundaries of the City of Lafayette and within the City of Lafayette itself. A list of the tax card key numbers, real property locations, real property owners, legal descriptions, acreages, and zonings for the 2009 Voluntary Annexation Area is provided in EXHIBIT 1. A list of the tax card key numbers, real property locations, real property owners, legal descriptions, acreages, and zonings for the 2009 Involuntary Annexation Area is provided in EXHIBIT 2. A list of the financials for these properties such as assessed values and taxes are found in EXHIBIT 3 (Voluntary) and EXHIBIT 4 (Involuntary). A summary of zoning and acreage for both Voluntary and Involuntary are found in EXHIBIT 5 and a summary of the total net assessed values is found in EXHIBIT 6. Legal descriptions and maps of the 2009 Annexation Area are provided in EXHIBITS 7 - 10. These areas illustrated in EXHIBITS 7-10 extend south and east from the existing corporate limits of the City of Lafayette and include several properties fully surrounded by the City of Lafayette. The total area measures 99.378 +/- acres.

Statutory Requirements

Indiana statute (IC 36-4-3) sets specific requirements with regard to the annexation process and the supporting documentation. This annexation meets the pre-requisites for both voluntary and involuntary annexation to the City as shown below.

Contiguity

The primary consideration is whether there is greater than 12.5% contiguity with the current corporate limits of the City of Lafayette and whether the territory to be annexed is connected by a strip of land more than one hundred fifty (150) feet in width. Calculation of contiguity shows it to be greater than 12.5% with the following approximate calculations – EXHIBIT 7, (59%); EXHIBIT 8, (56%); EXHIBIT 9, (100%), and EXHIBIT 10 (50%). None of the territories to be annexed is connected by a strip of land one hundred fifty (150) feet in width or less. The contiguity requirement is, therefore, met.

Financial Feasibility

All non-capital services and capital facilities and equipment will be available to the annexation area in the prescribed time frames. Analysis of available funds to defray their cost shows the City is able to provide the services and facilities required through taxes projected for the 2009 Annexation Area.

Annexation Policy

Beginning in the 1970's the City of Lafayette established a direction in its ordinances and resolutions for policy regarding annexation. EXHIBIT 11 outlines the City's annexation policy.

The 2009 Annexation Area already receives most city services. These services were extended at significant cost to the City. Since the City has expended funds to extend these services, the cost of services to the Annexation Area will be minimized, thereby creating a positive fiscal benefit to the City.

The 2009 Annexation Area is specifically located either within the existing City or in an identified growth area which makes it imperative that the area become part of the City, and those utility services be sufficient to support new growth.

Based on this brief analysis, the proposal to annex the 2009 Annexation Area complies directly with goals of the City's policies for annexation.

Recommendation

The 2009 Annexation Area is an extension of the urbanization that is taking place at the current City limits and is compatible with the City's annexation policy. This analysis will show that the fiscal impact of the annexation is positive, and the recommendation is that this annexation be accepted.

DESCRIPTION OF AREA

Zoning

Many of the tracts in the Annexation Area are zoned commercial (GB); or medical related (MR) or residential (R1, R2, R1B, PDRS). One tract is zoned Industrial (I1). There is no land zoned as agricultural (A) in the Annexation Area. It is anticipated that any land still utilized for agriculture or currently undeveloped, due to its proximity to already developed areas, will likely be developed for industrial, commercial, medical, or residential uses at sometime in the near future.

There are several developed commercial sites in the Annexation Area, principally along Main Street (SR 38 E) and CR 350 S. These developments, as well as the current commercial and multi-family residential zoning in the Annexation Area, clearly demonstrates the intent for urban growth in this area. One site in the Annexation Area, the Schroeder site on CR 200 S (Haggerty Lane) is clearly ready for medical use and road development and is surrounded by developing sites, several of which are already within the City limits. Likewise, four older condominiums will join the 36 that have already been annexed into the City in the Torchwood Development.

This 2009 Annexation Area fills in gaps in the existing corporate limits and also serves as “linkage” pieces to the “urbanized” City. Several portions of it are already developed consistent with City development and are an urbanized area compatible with the existing City. It has been and continues to be in the process of development according to plans that must be approved by APC. If the City wants to also have the opportunity to approve and manage further development in the area, annexation is an appropriate measure to be undertaken.

Land Use

The present land uses show that the area is predominately commercial, residential or undeveloped land zoned as medical related (MR). Much of the undeveloped area was utilized for agriculture, although it has been rezoned to something other than agriculture. Most areas have either been developed for commercial or residential or are awaiting development. Several sites in the Annexation Area along CR 350 S have been developed for commercial uses such as a Wal-mart and similar commercial uses. The zoning has been changed to reflect the intended uses for present and projected development of the Annexation Area. About 53% of the buildable Annexation Area is zoned for commercial uses, almost 45% of the buildable land is zoned for medical related uses, and the remaining buildable area is industrially zoned.

About 44% of the buildable Annexation Area is now “undeveloped” (non-productive lands) and another 4% of the total Annexation Area is roads. All of the undeveloped land is already zoned for medical related development or commercial development. Just over 1% of the

total area is residential in usage. In total, approximately 55% of the Annexation Area land has already had some form of development, other than roads. Based on these considerations, the area is clearly “urbanized” in the statutory sense of the word and development of additional industrial, commercial, and medical sites is projected on the remaining available land within a reasonable future.

PROVIDING MUNICIPAL SERVICES

How Much Will Services Cost?

Non-capital services include all those services provided by the City that help the City to function smoothly and promote the health, welfare, and safety of its citizens. Below are listed the non-capital services provided by the City and their anticipated costs added by this annexation.

Police Protection

Based on interviews with the Police Department, as well as a review of the area and the types of land uses (present and planned), the Lafayette Police Department has indicated that there will be a need for one additional police officer, primarily to cover the Wal-Mart area. This will include a full complement of equipment for the 2009 Annexation Area based on current zoning.

Analysis of the Annexation Area, including discussions with the Deputy Police Chief and Police Chief, indicates that based on the information available at this time, it is projected that the City will need one (1) additional police officer with a cost of approximately \$75,000 per year. As further residential and commercial development occurs, this additional officer should continue to adequately cover the area.

Fire Protection

The Lafayette Fire Department can provide fire protection to the 2009 Annexation Area at no (\$0) additional cost. The City has carefully considered the fire protection needs for the east and south sides of the City. In recent years, the City has invested heavily in new fire protection facilities, including new personnel, new equipment and new stations. Stations located at North Creasy Lane (Station #5), South 18th Street (Station #7), East 350 South (South #8), and South 475 East (Station #9), along with specialized equipment from other stations, can adequately serve the area. They are all in place and operational.

There is, initially, no (\$0) added non-capital cost projected for the Fire Department to serve the 2009 Annexation Area.

Street Department Services

A review of the 2009 Annexation Area and discussion with the City Engineer and Street Superintendent determined the impact of annexation on the Street Department budget. The Annexation Area contains approximately 0.434 miles of public roadway. Any other streets to be built that meet municipal code will eventually be absorbed into the City's thoroughfare system.

Street Repairs, Leaf and Brush Removal & Snow Plowing

Public streets in the Annexation Area have been surveyed by the City Engineer's Office and Street Department to determine repairs. The Engineering Department indicated that there is currently no projected cost (\$0) for street repairs to the City in the 2009 Annexation Area. In

the past this has been considered a capital cost to be completed over three years, but for purposes of this budget is included with the other street repairs.

The Street Department uses its personnel and vehicles to provide a broad range of residential services, including leaf collection in the fall, snow removal in the winter and trash collection throughout the year from residences, four-plex or less in size. The City's leaf/brush collection schedule provides for collection at specified intervals, depending upon the onset of the autumn season and when leaves begin to fall. These services are not provided to commercial, large apartment complexes or industrial facilities, only to private residences

The cost of snow removal is highly speculative for the City. It depends upon the total snowfall, the number of incidents where accumulation exceeds 2", ambient air temperatures before and after the snowfall (causing melting and/or freezing), chemical costs and other issues which are beyond the City's control. In case of heavy snowfall, City personnel are often employed on an overtime basis to deal with any emergency based on the necessity of cleaning the streets for traffic.

The City will assume responsibility for leaf/brush and snow removal from all public streets in the Annexation Area within the first year of annexation. All private streets and lots are the responsibility of the owners. A review of operations in recent years shows a wide range of weather activity, which makes it difficult to accurately project the cost of leaf/brush and snow removal in an Annexation Area. The Street Superintendent estimates that existing personnel will be capable of handling the new responsibilities from the addition of the 2009 Annexation Area at a cost of \$2,080 per year

Trash Collection

The City's trash collection schedule provides for trash collection once per week for residential customers. The City does not provide trash services for commercial or industrial facilities, nor does it serve multi-family residences larger than a four-plex. As a result of annexation, any residential property with up to four units will receive trash collection service as a part of its municipal service package (funded by property taxes). There are currently about 4 residences in the Annexation Area that would benefit from this service. The Street Superintendant estimates the yearly cost for residential trash pick up including fuel, time spent, and the added weight of the trash to be \$3,277.

Mowing and Tree Trimming

The City's policy is that mowing and tree trimming within the public right-of-ways is the responsibility of the property owner. As such, there is no projected cost for extending these services (\$0).

Street Lights

The policy of the City of Lafayette regarding street lighting is to base its provision directly on a request for service. The City's policy is to review each request for service in cooperation with Duke Energy. In cases where street lights are deemed warranted the power company will design and install appropriate lighting, with the City paying a monthly fee for

each light. This assessment is based upon the amount of street lighting requested, the type of land use served by the street lights and the level of street lighting provided in comparable areas of the City. As development occurs, new street lighting will be provided in accordance with the needs of the type of land use and with the lighting in similar areas of the City.

Interviews with the City Engineer indicate that the City will bear the cost of installation and power of any street lights. Duke Energy would need to prepare a lighting plan for the area in order to estimate the number of lights for installation. Light pole installation could cost the City between \$2,000 and \$5,000 per pole. At this time, there has been no light plan developed. The cost of power for the lights is \$7.50 per month. The City Engineer indicated that the cost of lighting in the Torchwood Subdivision was accounted for in the previous annexation of the majority of that property and that there will be no need to include more in this 2009 Annexation. Any future development that takes place on developable land will require a lighting plan that can not be accounted for at this time. At this time, there appears to be no projected cost (\$0) associated with street lighting for the immediate future.

Traffic Control

The primary focus of traffic control is at major intersections in or near the 2009 Annexation Area. These have already been taken into consideration and installed as a result of the last annexation of nearby areas. With a combination of new and existing commercial development in the Annexation Area, the City Engineer indicated that two new traffic lights would be necessary on CR 350 S. Funding for these has already been described in the previous annexation and, therefore, no new funding will be required for traffic control (\$0) in this Annexation Area.

Parks Department Services

The Parks Department has undertaken improvements to major park facilities in the City, including the renovation of the City's pool facilities and the upgrade of several large parks. The Parks Department is also developing and constructing a series of linear trails through the City.

The City of Lafayette does not screen users of the parks system. Therefore, the annexation of the proposed areas by the City will have no impact on how citizens within the annexation area use the City parks system. There should be no substantial (\$0) cost impact on the park system resulting from this annexation.

Administration Services

The 2009 Annexation Area is already a well developed urban type area. Since City services are utilized, the City administration has already become involved with the area's development. As this area is both adjacent to or within the City boundary and within a proposed growth area for the City, it is appropriate and necessary for the City to provide efforts to shape and control development of the area. With these factors in mind, it is projected that the Annexation Area will not generate significant increases in administrative service costs (\$0) in the coming years.

Joint Non-Capital Services

Emergency Medical and Health Department services are provided to the citizens of Lafayette through a cooperative agreement between the City and the County and are not a part of the municipal budget of the City. Since all citizens of the County receive these services now, there is no projected fiscal impact (\$0) on these services resulting from the addition of the 2009 Annexation Area to City.

The annexation of new areas into the City that are partially developed presents it with a new challenge with regard to ditch maintenance. Major ditches, such as Elliott Ditch, remain the responsibility of the County. However, minor tributary and roadside ditches become the responsibility of the City. Thus, the City has determined that the Sewer Department will be responsible for non-roadside ditches and small drainage facilities, and the Street Department will be responsible for maintaining roadside ditches. The cost to service the ditches in the Annexation Area is projected to be minimal.

When Will Services Be Provided?

The City of Lafayette effectively began planning for the extension of municipal services for the area east and south of the present city boundaries many years ago when the first commercial and residential developments were planned. At the time that the infrastructure was being planned to serve these new sites, their magnitude forced the City to begin to develop a long-term plan for providing services. This fiscal plan piggybacks onto that effort that has taken place over the last several decades.

Non-capital services must be provided within one year of the effective date of annexation, as stated previously. Assuming that the annexation becomes effective in 2010, the non-capital services would have to be provided to the area by 2011, within one year of the effective date of annexation. All non-capital services with no associated cost to the Annexation Area could begin immediately after annexation is finalized.

How Are Services Financed?

Non-capital services are funded by general City real estate and personal property taxes levied on all City property owners. While these taxes are utilized throughout the City for all non-capital services, each annexation must be scrutinized to ensure that it is an overall benefit to the City and not a detriment to the other taxpayers of the City.

PROVIDING CAPITAL IMPROVEMENTS

In order to make the annexation effective, the City must establish a basis for providing capital municipal services in the 2009 Annexation Area. The narrative below describes the manner in which these services will be provided.

Capital Sewage Treatment Services

Properties within the 2009 Annexation Area already receive or have access to sewer services in accordance with City sewer policy. This is likewise true for any new development that may occur. The sewage transported is treated by the Lafayette Sewage Treatment Facility. The annexation action will have no impact (\$0) on the treatment of sewage or the demand for sewage treatment, except for indirect consequences of future additional connections to the sewer system. These additional sewer connections are available through the existing system of user charges, and are available to property owners inside and outside the corporate limits of the City at this time. In addition, all of the surrounding developed areas already receive this service.

The City's established policy and long standing precedent provides "access" or "availability" to sewers and water, and these terms do not include direct service to the home or business establishment. Instead the City provides the interceptor sewer or water main to serve the general area and the individual owners (or developer) then participate in the extension costs associated with individual service with the City. In the case of the 2009 Annexation Area, interceptor sewer lines are in place or available similar to other places in the City. Capital costs will be born by the developer(s) in the Annexation Area, who in-turn will pass the cost along to the residential, commercial, medical, or industrial buyer.

Homeowners who currently do not have City sewers will not be required to hook up as long as their current waste disposal system meets health standards. If an owner wishes to connect, the cost will vary according to the circumstances. The cost is approximately \$10,665 per lot plus a tap and inspection fee of \$200 for residential and \$400 for commercial/ industrial plus the cost of bringing service from the sewer to the building. In the past, the City has offered special financing programs when connection is done by a group of property owners at the same time. A Utility Service Agreement outlining costs and connection points may be required if deemed necessary by the City.

It is important not to confuse any need for sewer improvements with the ability to provide those services at this time. The City sewer system has adequate capacity to meet the current needs of development at this time. At this time, all existing and proposed developments in the 2009 Annexation Area are served by sanitary sewers at a level comparable to other areas of the City.

Based on the above information, there is no immediate need or cost (\$0) for additional municipal sewer service to make the Annexation Area equivalent to the service offered to comparable areas.

Capital Water Services

Water service is already provided to the Annexation Area to the same extent that it is provided to other comparable areas of the City. The City provides these services through the existing system of fees and charges.

While annexation is directly related to the provision of improved water service, it is equally clear that the City was investing in water infrastructure before this annexation became viable. Because the City has been making improvements for many years, this annexation will not require additional improvements in order to provide comparable levels of service. As development takes place in the Annexation Area, however, a "cost recovery" charge will be required of the developer for each property developed as a means for the City to recoup the original infrastructure investment. These will be passed along in the purchase price of the home, commercial building site or industrial development. The cost of connecting water service to the remaining unserved homes is between \$5,000 and \$10,000 plus a tap fee of \$600 plus the cost of bring the water from the water line to the house. Again this cost will vary widely in different areas.

Based on these factors, the provision for water service in the Annexation Area is projected to have no immediate cost (\$0) to the City.

Fire Hydrants

For all development in the Annexation Area, the developer has been required to install fire hydrants to meet all City specifications. Likewise, each new development will meet the same requirement.

The cost of fire hydrants to the City in the 2009 Annexation Area is projected to be \$0.

Capital Street Services

Approximately 0.434 miles of public streets and roads are already in place in the 2009 Voluntary and Involuntary Annexation Area. Any new streets to be added to the Annexation Area will be constructed by the developer of the new subdivision to city standards and then turned over to the City for maintenance. The cost of capital street services to the City in the 2009 Voluntary and Involuntary Annexation Area is projected to be \$0.

Capital Drainage Services

The Lafayette Street Department is responsible for maintaining all street side ditches and the Lafayette Sewer Department maintains the non-major drainage in the City. However, as with any other City right-of-way area, the property owner is responsible for maintenance of the property, including any right-of-way area.

It has been a long-standing policy of the City for new development to provide for its own stormwater drainage as part of the subdivision/parcelization approval process. As sites are developed in the Annexation Area a coordinated overall plan for the area's drainage/on-site stormwater retention must be provided and implemented by the developer, with approval by the responsible jurisdiction. Again there is no (\$0) capital cost to the City.

Capital Fire Protection Services

The City already provides fire protection services to the 2009 Annexation Area comparable in response time to other areas of the City from its fire stations at North Creasy Lane (Station #5), South 18th Street (Station #7), East 350 South (South #8), and South 475 East (Station #9). Costs for this are already built into the system and will not change (\$0) as a result of annexation.

When Will Capital Services Be Provided?

Capital services must be provided within three years of annexation. Many capital services will initially be provided by the developers as they construct infrastructure within the Annexation Area. The City has already provided significant sewer and water access to the area, along with other capital services such as fire protection. With annexation occurring in 2009, capital services must be in place by 2012.

REVENUES

Methods of Financing

The analysis that was performed in preparation of this Fiscal Plan revealed that the cost of providing simple threshold levels of service to the 2009 Annexation Area is reasonable. In fact, the City could provide virtually all municipal services with a moderate investment, due to the extensive investment that it has previously made.

Property Taxes as the Primary Revenue Source

Annexation arguably has an impact on a number of municipal revenue streams: real property taxes, personal property taxes, local road and street funds, alcohol gallonage taxes, cigarette taxes, motor vehicle highway taxes, county option taxes and others. Some of these revenues are distributed on the basis of population, others on highway miles, and so forth. But, only property tax revenues are under control of the City. Other secondary revenue sources, their amount and timing of distributions, often depend upon decisions made by other governmental bodies and/or the actions of the State. These variables can be difficult for the City to control or accommodate. In this analysis, no personal property is counted for tax revenue.

The purpose of a Fiscal Plan is to provide reasonable assurance that the municipality has the financial capacity to provide the promised services. Therefore, the fiscal plan is prepared under the premise that the ideal fiscal scenario would be able to cover the entire cost of annexation (services) solely with projected real property tax revenues. Since real property taxes are the largest single source of municipal revenue in most communities, and since they are directly under the control of the municipality, the concept of considering real property taxes as the revenue source to pay for municipal services represents a properly conservative fiscal approach to the annexation action. If the entire cost of providing municipal services can be paid through real property taxes, the secondary revenue sources remain available for use in the community as a whole, and only improve the overall fiscal health of the community.

Using "Straight Line" Projections

In any cost/revenue analysis, various cost-altering factors must be considered. An annexation analysis should address inflation as well as the recurrence of reassessment and trending which often result in an increase in revenues. Although we try to reflect on these and other factors, future rates are unknown.

Approximately 55% of the 2009 Annexation Area has been developed, and the rest is undeveloped, primarily utilized as agricultural lands. Both generate property tax revenues. The question for the City is: will there be sufficient revenues generated in a timely manner to cover the costs?

The Cost/Revenue Analysis in this Fiscal Plan was generated using a "straight line" projection method. This projection method is considered to be a conservative fiscal

approach. In this analytical method, only the existing development is considered (therefore, the opportunity to justify new municipal expenses is removed). Similarly, this analytical method limits the revenue impact of re-assessment to the level of revenue neutrality that was intended in the statute. Finally, the cost and revenue impact of inflation is considered neutral, as well. While it is logical to project that inflation will continue at some rate (other than 0%), the straight line method assumes that inflation will be absorbed into the annual budget making process through reassessment. Generally speaking, this projection method will generate the most conservative fiscal projection figures.

Tax Rate

The City has publicly stated that one of its primary fiscal goals is to keep property tax rates low and has, in fact, lowered the rate. The tax rate varies by township for the Annexation Area, but with the assistance of the Tippecanoe County Auditor and local assessors we are able to project the change in taxes from County to City. The 2008 total net assessed value for properties in this area is \$24,711,890. The average change in taxes for properties in the Annexation Area varies based on the exemptions available to each property. The average change for all properties in the Annexation Area is a tax increase of 39.9% to 40.5%. Those residential properties receiving a Homestead Credit will be at the lower end.

The Cost/Revenue Analysis projects future revenues based on the various property tax rates throughout the City. It is likely that the tax rate will change for the year 2009. But since there is no means of projecting the impact of reassessment and trending on the total NAV of the City, it was determined that fluctuations in the tax rate and reassessment or trending would be counteractive, thereby making it more realistic to project future property tax revenues using the present tax rate.

Estimated Property Tax Revenues

A review of the present revenue stream for the 2009 Annexation Area will give an indication of what is expected. EXHIBITS 3 & 4 describe the sources of net assessed valuation as it presently appears for the "2007 pay 2008" tax year for the voluntary and the involuntary annexations respectively. Most of the assessed value is in commercial improvements.

Taxes generated to the City, based on the continuation of the 2007 city tax rate and the present net assessed value of \$22,150,360, would amount to about \$142,034 in the year 2008.

The decision to annex should anticipate revenues from realistic future growth as well as from existing development in order to present a more complete picture.

Balance of Revenue Over Costs

The Cost/Revenue Analysis shows that the projected property tax revenues from the 2009 Annexation Area exceeds the cost of services in all years. This is in part because there is already a substantial development in the Annexation Area, with more expected in the near future. This allows an increased tax base at the beginning of the annexation to cover initial costs for services. As more development occurs over time, further increasing the tax base, added services and the capital cost should be covered. Again, only real estate property taxes are measured, and added personal property taxes are not a part of this measurement.

Overall, the projected cost for municipal services (Non-Capital and Capital) are estimated to be \$80,357 (police, street, and street departments) initially with an anticipated increase as the Annexation Area is developed. It is estimated that the increase in tax revenues will more than meet the coverage of these costs. The overall conclusion is that the annexation of the 2009 Annexation Area is a positive financial gain for the City of Lafayette.

Cost/Revenue Analysis

The costs and revenues described in the narrative above are presented in EXHIBIT 12 to demonstrate the combined fiscal impact of the proposed annexation to the City of Lafayette. The table shows conclusively that the City will gain more revenue from the annexation than it will spend in the cost of providing services to the area, even in the beginning years. Tax revenues will lag a year behind completion of all future development. No projections are available for future development's build out time for the Annexation Area.

The primary source of fiscal concern is to make sure that sufficient revenue is available, especially in the beginning years, for the Annexation Area. Operating costs accrue annually and must be covered through real property taxes, which also recur annually.

Tax Increment Financing (TIF) Districts and EDIT

Only the area west of Concord Road and south of CR 350 South in the 2009 Annexation Area is located within a Tax Increment Financing District (McCarty Lane/SE Industrial TIF). Half of the tax increment will be available from this Annexation Area as a secondary revenue source to fund various capital improvements that may be necessary as the Annexation Area continues to develop.

Another revenue source available to the city is County Economic Development Income Tax (EDIT). The revenue is distributed proportionately to the County and cities. These funds are available for use on certain economic development or public capital projects. The City Engineer has already designated EDIT funds to be used to finance the replacement of street lights in the Torchwood Subdivision from the last annexation.

The fiscal analysis, performed as part of this Fiscal Plan, has demonstrated that the City of Lafayette is very well managed on several levels. Even in these difficult budgetary times, budgetary planning has provided the City with a strong balance sheet capable of withstanding many types of interruptions. Due to strong business management practices, the City retains some funds that could be used to pay for portions of required expenditures. These funds fluctuate and are subject to the constant stream of individual decisions required to run a municipality. Existing and future cash flow from all municipal revenues could be used to help finance short-term revenue deficits which might occur in the early years after annexation.

FISCAL PLAN CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the examination of facts and analysis set forth in this Annexation Study and Fiscal Plan, the following conclusions are offered:

1. The 2009 Annexation Area is primarily “developed” as a commercial area. It has been properly zoned for commercial, industrial, medical related, and residential development. Significant and substantial commercial development has already occurred in the Annexation Area.
2. The City of Lafayette has recently taken steps to insure that it can provide services for a growing community by adding resources to existing budgets, including new police officers, new fire stations, park improvements, and utility extensions which add capacity to serve a growing city. Infrastructure is in place and available to serve this development, most at no further cost to the City.
3. The estimated property tax revenue resulting from annexation exceeds the projected costs of providing all municipal services to the Annexation Area after extending all capital and non-capital services.
4. The property tax revenue stream from the Annexation Area is projected to exceed the cost of providing services in each year of the first 10 years after annexation.
5. The City will continue its existing policy of using a system of fees and charges to offset the capital cost of extending water and sewer services to unserved areas.
6. The 2009 Annexation Area appears to represent a good opportunity for annexation to and by the City of Lafayette.
7. The annexation can be accomplished in accordance with all applicable laws, and this Fiscal Plan reflects the City's ability to meet and finance all appropriate municipal services in a timely manner.
8. The annexation is in the best interests of the annexed area as well as the City as a whole.

Recommendations

Based on the factors considered and the analysis performed in the Fiscal Plan, the following recommendations are offered to the City of Lafayette regarding the 2009 Annexation Area.

1. The City of Lafayette, Indiana should annex the 2009 Annexation Area.
2. The City of Lafayette, Indiana should take into account all of the factors outlined in this Summary and Fiscal Plan in its decision making process.

APPENDIX A

2009 VOLUNTARY ANNEXATION PROPERTIES - 8-09

[illegible]

2009 INVOLUNTARY ANNEXATION PROPERTIES - 6-09

Page	Initial	Final	Count
1	0.00	0.00	0.00
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90	0.00	0.00	0.00

2009 VOLUNTAR ANNEXATION FINANCIALS - 6-09

[illegible]

2009 INVOLUNTARY ANNEXATION FINANCIALS - 6-09

On 27 May 2006, originally paid \$18,000 a 5% interest on \$11,100.00. My changed to \$930,000 with interest of \$2,010.50.
 (\$18,000.00 - \$2,010.50 = \$15,989.50)

20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

EXHIBIT 5

2009 VOLUNTARY AND INVOLUNTARY ANNEXATION AREA - SUMMARY OF ZONING & ACREAGE

ZONING	ACRES	% ZONING
PDRS	1.056	1.06%
MR	34.207	34.42%
GB	40.443	40.70%
I1	2.139	2.15%
I3	18.05	18.16%
R-O-W	3.483	3.50%
Totals	99.378	100.00%

R-O-W includes R1, R1B, and R2

EXHIBIT 6

2009 VOLUNTARY AND INVOLUNTARY ANNEXATION AREA - SUMMARY OF 2007 NET ASSESSED VALUE (NAV)

LAND USE	NET ASSESSED VALUE	
	REAL PROPERTY \$	REAL PROPERTY %
Residential	277,260	1.3%
Commercial	20,632,000	93.1%
Medical	45,000	0.0%
Industrial*	1,196,100	5.4%
Government	0	0.0%
Totals	22,150,360	99.8%

* One property is zoned both Industrial (I1) and General Business (GB). The AV has been assigned under Industrial since the largest percentage is industrial.

APPENDIX B

EXHIBIT 7

Legal Description – City of Lafayette, Indiana **Voluntary and Involuntary Annexation**

Key Number 146-04800-0340 (Tippecanoe County)

Key Number 146-04800-0351 (Tippecanoe County)

A part of the southwest quarter and southeast quarter of Section Ten (10), Township Twenty-two (22) North, Range Four (4) West, Wea Township, Tippecanoe County, Indiana, more completely described as follows, to-wit:

Commencing at the northeast corner of the southwest quarter of Section 10-22-4, being marked by a RT-1 monument; thence along the east line of said southwest quarter, South 00°46'35" East, 1147.77 feet to the point of beginning of the herein described tract, said point also being on the north line of the Tippecanoe County property described in Document Number 01005915, recorded on the 19th of March, 2001 in the Office of the Tippecanoe County Recorder; thence along the bounds of said Tippecanoe County property for the following twelve (12) courses: (1) South 89°13'25" West, 20.00 feet; (2) South 21°01'31" West, 26.93 feet; (3) South 04°56'04" West, 100.50 feet (4) South 00°46'35" East, 100.00 feet; (5) South 04°56'03" West, 150.75 feet; (6) South 18°52'40" West, 74.33 feet; (7) South 00°46'35" East, 80.00 feet; (8) South 17°28'32" East, 104.40 feet; (9) South 06°29'13" East, 150.75 feet; (10) South 00° 46'35" East, 150.00 feet; (11) South 31°44'24" East, 29.15 feet; (12) North 89°13'25" East, 20.00 feet to the southwest corner of the Tippecanoe County property described in Document Number 01005916, recorded on the 19th of March, 2001 in said Recorder's Office; thence along the bounds of said Tippecanoe County property described in Document Number 01005916 for the following twelve (12) courses: (1) continuing along the same bearing, North 89°13'25" East, 20.00 feet; (2) North 30°11'15" East, 29.15 feet; (3) North 00°46'35" West, 150.00 feet; (4) North 06°20'56" East, 201.56 feet; (5) North 21°01'31" East, 53.85 feet; (6) North 00°46'35" West, 80.00 feet; (7) North 45°46'35" West, 28.28 feet; (8) North 06°29'13" West, 150.75 feet; (9) North 00°46'35" West, 150.00 feet; (10) North 09°18'25" West, 101.12 feet; (11) North 22°34'40" West, 26.93 feet; (12) South 89°13'25" West, 20.00 feet to the point of beginning, containing 1.21 acres, more or less.

ALSO INCLUDING:

Key Number 146-04803-0018 (Temple Properties LLC)

Lot numbered One (1) in Stones Crossing Commercial Subdivision, Section One (1), an addition to Wea Township, Tippecanoe County, Indiana, as per plat thereof dated October 22, 2004, recorded November 12, 2004, in Plat Cabinet 7, Slide 172, as Document Number 04031217, containing 1.00 acres, more or less.

ALSO INCLUDING:

Key Number 146-04803-0029 (South Lake Reality LLC)

Lot numbered Two (2) in Stones Crossing Commercial Subdivision Section One (1), an addition to Wea Township, Tippecanoe County, Indiana, as per plat thereof dated October 22, 2004, recorded November 12, 2004 as in Plat Cabinet 7, Slide 172, as Document Number 04031217, containing 2.68 acres, more or less.

ALSO INCLUDING:

Key Number 146-04805-0027 (Banque LLC)

Lot numbered Two (2) in Concord Plaza Subdivision, Phase One (1) an addition to Wea Township, Tippecanoe County, Indiana, as per plat thereof dated May 5, 2006, recorded June 23, 2006 in Plat Cabinet 8, Slide 60, as Document Number 06013418, containing 1.40 acres, more or less.

ALSO INCLUDING:

Key Number 146-04805-0049 (McKenzie Properties LLC)

Lot numbered Four (4) in Concord Plaza Subdivision, Phase One (1) an addition to Wea Township, Tippecanoe County, Indiana, as per plat thereof dated May 5, 2006, recorded June 23, 2006 in Plat Cabinet 8, Slide 60, as Document Number 06013418, containing 1.14 acres, more or less.

ALSO INCLUDING:

Key Number 146-04805-0082 (Wal-Mart Real Estate Business Trust)

Key Number 146-04805-0093 (Wal-Mart Real Estate Business Trust)

Key Number 146-04805-0104 (Wal-Mart Real Estate Business Trust)

Key Number 146-04805-0115 (The Public)

Lot numbered Five (5), Six (6), Outlot A, Promenade Parkway right-of-way, and County Road 200 East right-of-way in Concord Plaza, Phase Two (2) an addition to Wea Township, Tippecanoe County, Indiana, as per plat thereof dated August 25, 2008, recorded September 29, 2008 in Plat Cabinet 8, Slide 171, as Document Number 08018904, containing 29.99 acres, more or less.

TOTAL EXHIBIT 7 ACREAGE:

The total combined acreage for the entire Exhibit A legal description is approximately 37.42 acres, more or less.

PARCELS		
ID	KEY NUMBER	TITLE HOLDER
1	146-04800-0340	TIPPECANOE COUNTY
2	146-04800-0351	TIPPECANOE COUNTY
3	146-04803-0018	TEMPLE PROPERTIES LLC
4	146-04803-0029	SOUTH LAKE REALITY LLC
5	146-04805-0027	BANQUE LLC
6	046-04805-0049	MCKENZIE PROPERTIES LLC
7	146-04805-0062	WAL-MART REAL ESTATE BUSINESS TRUST
8	146-04805-0093	WAL-MART REAL ESTATE BUSINESS TRUST
9	146-04805-0104	WAL-MART REAL ESTATE BUSINESS TRUST
10	146-04805-0115	THE PUBLIC

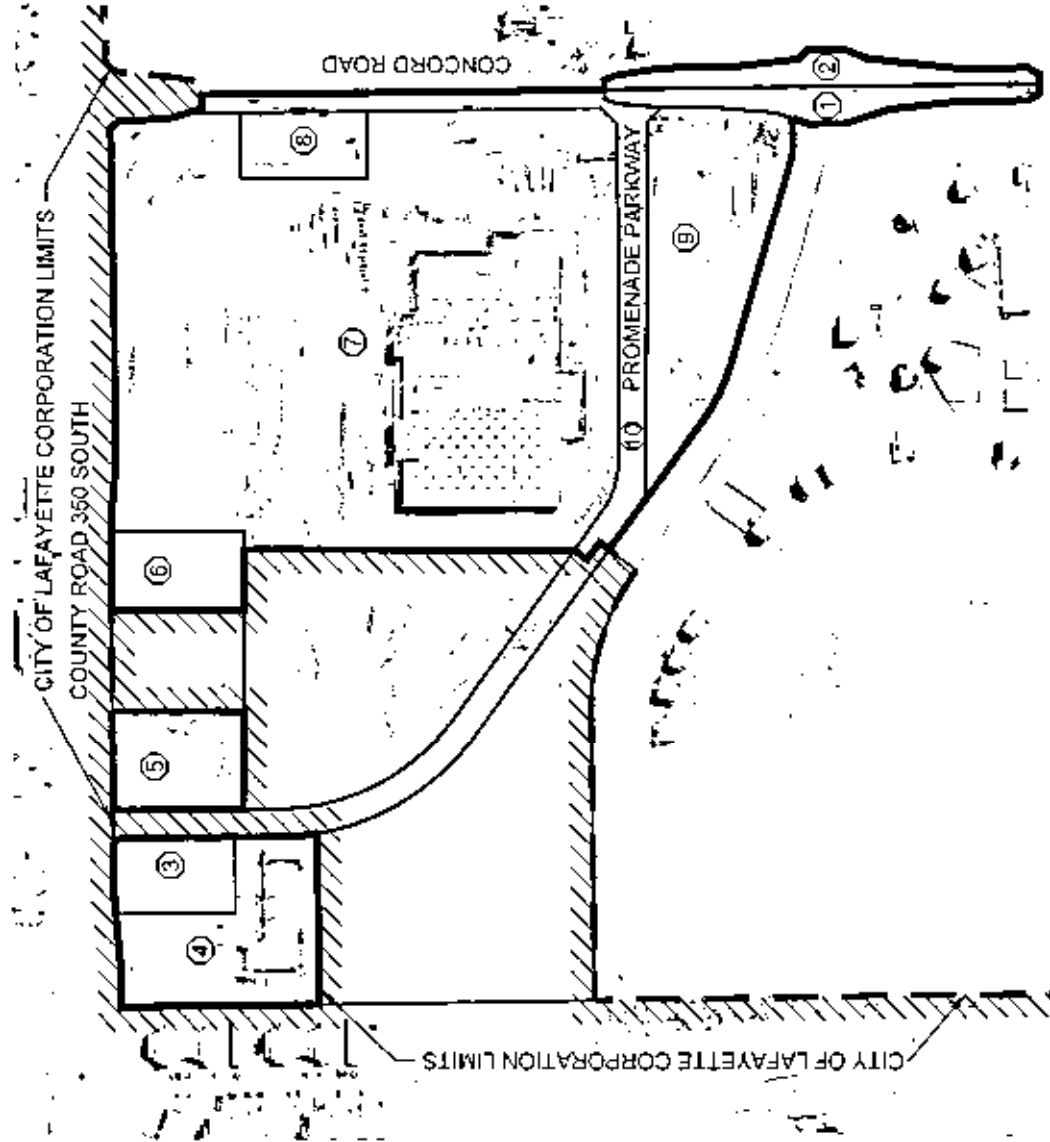


EXHIBIT 7
CITY OF LAFAYETTE
VOLUNTARY AND INVOLUNTARY ANNEXATION

Vester and Associates Inc.
LAND SURVEYING AND ENGINEERING

EXHIBIT 8

Legal Description – City of Lafayette, Indiana **Voluntary and Involuntary Annexation**

Key Number 102-01200-0178 (David M & Constance L Stevenson TTEE)

Key Number 102-01200-0410 (State of Indiana)

A part of the southeast quarter of Section Thirty-five (35), Township Twenty-three (23) North, Range Four (4) West, Fairfield Township, Tippecanoe County, Indiana, more completely described as follows, to-wit:

Commencing at the southwest corner of the southeast quarter of Section 35-23-4; thence along the west line of said southeast quarter, North 00°00'00" East, 148.00 feet to the point of beginning of the herein described tract, said point also being the southwest corner of the State of Indiana property described in Document Number 91-3930, recorded on the 27th of March, 1991 in the Office of the Tippecanoe County Recorder; thence continuing along said west line, North 00°00'00" East, 77.22 feet to the southwest corner of David M. and Constance L. Stevenson property as described in Document Number 03011342, recorded on the 24th of March, 2003 in said Recorder's Office; thence along the bounds of said Stevenson property for the following six (6) courses: (1) North 00°00'00" East, 252.28 feet; (2) South 87°30'44" East, 26.58 feet; (3) South 88°42'39" East, 190.95 feet; (4) North 00°26'10" East, 5.45 feet; (5) North 90°00'00" East, 52.50 feet; (6) South 00°00'00" East, 403.13 feet to the northeast corner of said State of Indiana property; thence along said State of Indiana property for the following three (3) courses: (1) South 00°00'00" East, 69.37 feet; (2) North 83°03'16" West, 45.00 feet; (3) North 58°35'49" West, 264.00 feet to the point of beginning, containing 2.53 acres, more or less.

ALSO INCLUDING:

Key Number 102-01200-0310 (Gary W. Schroeder)

A part of the southeast quarter of Section Thirty-five (35), Township Twenty-three (23) North, Range Four (4) West, Fairfield Township, Tippecanoe County, Indiana, more completely described as follows, to-wit:

Commencing at the southeast corner of the southeast quarter of Section 35-23-4; thence along the south line of said southeast quarter, South 89°24'00" West, 400.00 feet to the point of beginning of the herein described tract, said point also being the southeast corner of the Gary Schroeder property described in Document Number 9802637, recorded on the 5th of February, 1998 in the Office of the Tippecanoe County Recorder; thence continuing along said south line, South 89°24'00" West, 662.50 feet to the southeast corner of Gary W. Schroeder property as described in Document Number 03045225, recorded on the 5th of November, 2003 in said Recorder's Office; thence along the bounds of said Gary W. Schroeder property as described in Document Number 03045225 for the following six (6) courses: (1) North 00°51'57" West, 543.24 feet; (2) North

89°30'53" East, 178.14 feet; (3) North 00°29'08" West, 385.85 feet; (4) South 89°30'52" West, 530.50 feet; (5) North 00°40'33" East, 96.24 feet; (6) North 89°19'27" West, 228.05 feet to the west line of said Gary Schroeder property described in Document Number 9802637; thence along the bounds of said Gary Schroeder property described in Document Number 9802637 for the following five (5) courses: (1) North 00°43'02" West, 301.77 feet to an iron bar; (2) North 89°24'00" East, 857.13 feet to the east line of said southeast quarter; (3) along said east line, South 00°43'02" East, 1105.75 feet; (4) South 89°24'00" West, 400.00 feet; (5) South 00°43'02" East, 225.00 feet to the point of beginning, containing 33.68 acres, more or less.

ALSO INCLUDING:

Key Number 102-01201-0221 (H & L Development)

Key Number 102-01201-0420 (State of Indiana)

A part of the southwest quarter of Section Thirty-five (35), Township Twenty-three (23) North, Range Four (4) West, Fairfield Township, Tippecanoe County, Indiana, more completely described as follows, to-wit:

Commencing at the southeast corner of the southwest quarter of Section 35-23-4; thence along the east line of said southeast quarter, North 00°20'25" West, 157.92 feet to the centerline of State Road 38; thence along said centerline, North 57°41'47" West, 905.82 feet to the point of beginning of the herein described tract, said point also being the northeast corner of the State of Indiana property; thence along the bounds of said State of Indiana property for the following three (3) courses: (1) along said centerline, North 57°41'47" West, 727.89 feet; (2) South 03°22'00" East, 172.77 feet; (3) South 80°26'56" East, 28.19 feet to the west line of the H & L Development, LLC property as described in Document Number 0002075, recorded on the 31st of January, 2000 in said Recorder's Office; thence along the bounds of said H & L Development, LLC property following ten (10) courses: (1) South 00°40'31" West, 121.44 feet; (2) South 45°19'30" West, 114.39 feet; (3) South 28°36'07" East, 149.69 feet; (4) North 69°15'34" East, 112.11 feet; (5) North 57°19'51" East, 60.65 feet; (6) North 87°57'34" East, 21.50 feet; (7) North 66°38'48" East, 50.97 feet; (8) South 85°53'21" East, 18.95 feet; (9) South 57°35'18" East, 275.00 feet; (10) North 32°37'26" East, 156.01 feet to the southeast corner of said State of Indiana property; thence along the east line of said State of Indiana property, North 32°37'26" East, 53.90 feet to the point of beginning, containing 3.91 acres, more or less.

ALSO INCLUDING:

Key Number 902-00103-0029 (Mary C. Rossiter & Patricia A. Reynolds)

Key Number 902-00104-0017 (Miles & Marilyn S. Biery)

Key Number 902-00105-0170 (Bernice Kemble)

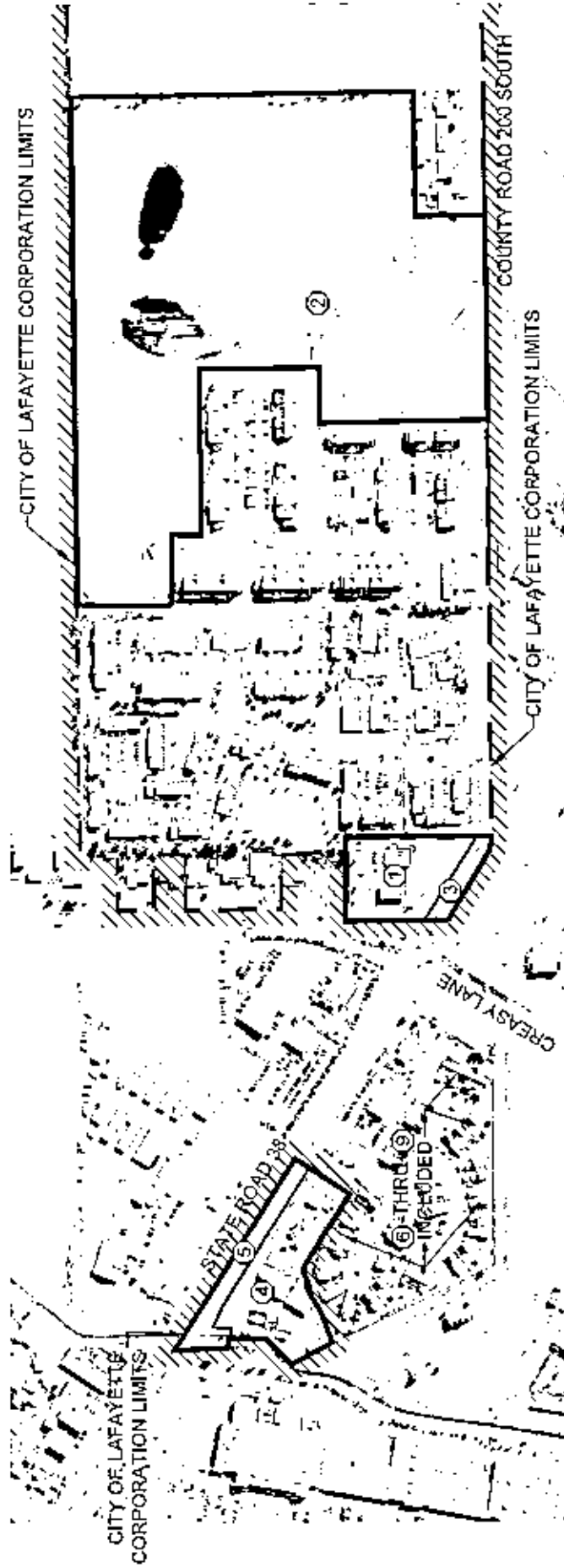
Key Number 902-00114-0370 (Carolyn L. Hendricks)

Units 8, 11, 17, and 37, in Torchwood Condominiums Planned Development, Tenth Amendment Plat as per the plat thereof recorded in Plat Book AA, Page 140 and

Document Number 9417125 in the Office of the Tippecanoe County Recorder and located in the southwest quarter of Section 35, Township 23 North, Range 4 West, Fairfield Township, Tippecanoe County, Indiana, containing 0.20 acres, more or less.

TOTAL EXHIBIT 8 ACREAGE:

The total combined acreage for the entire Exhibit B legal description is approximately 39.75 acres, more or less.



PARCELS		
ID	KEY NUMBER	TITLE HOLDER
1	102-01200-0178	DAVID M. & CONSTANCE L. STEVENSON, TTEE
2	102-01200-0310	GARY W. SCHROEDER
3	102-01200-0410	STATE OF INDIANA
4	102-01201-0221	H & L DEVELOPMENT, LLC
5	102-01201-0420	STATE OF INDIANA c/o INDOT
6	902-00103-0029	MARY C. ROSSITER & PATRICIA A. REYNOLDS
7	902-00104-0017	MILES & MARILYN S. BIERY
8	902-00105-0170	BERNICE KEMBLE
9	902-00114-0370	CAROLYN L. HENDRICKS

EXHIBIT 8
CITY OF LAFAYETTE
VOLUNTARY AND INVOLUNTARY ANNEXATION

K&V Associates Inc.
LAND SURVEYING AND ENGINEERING

EXHIBIT 9

Legal Description – City of Lafayette, Indiana **Voluntary and Involuntary Annexation**

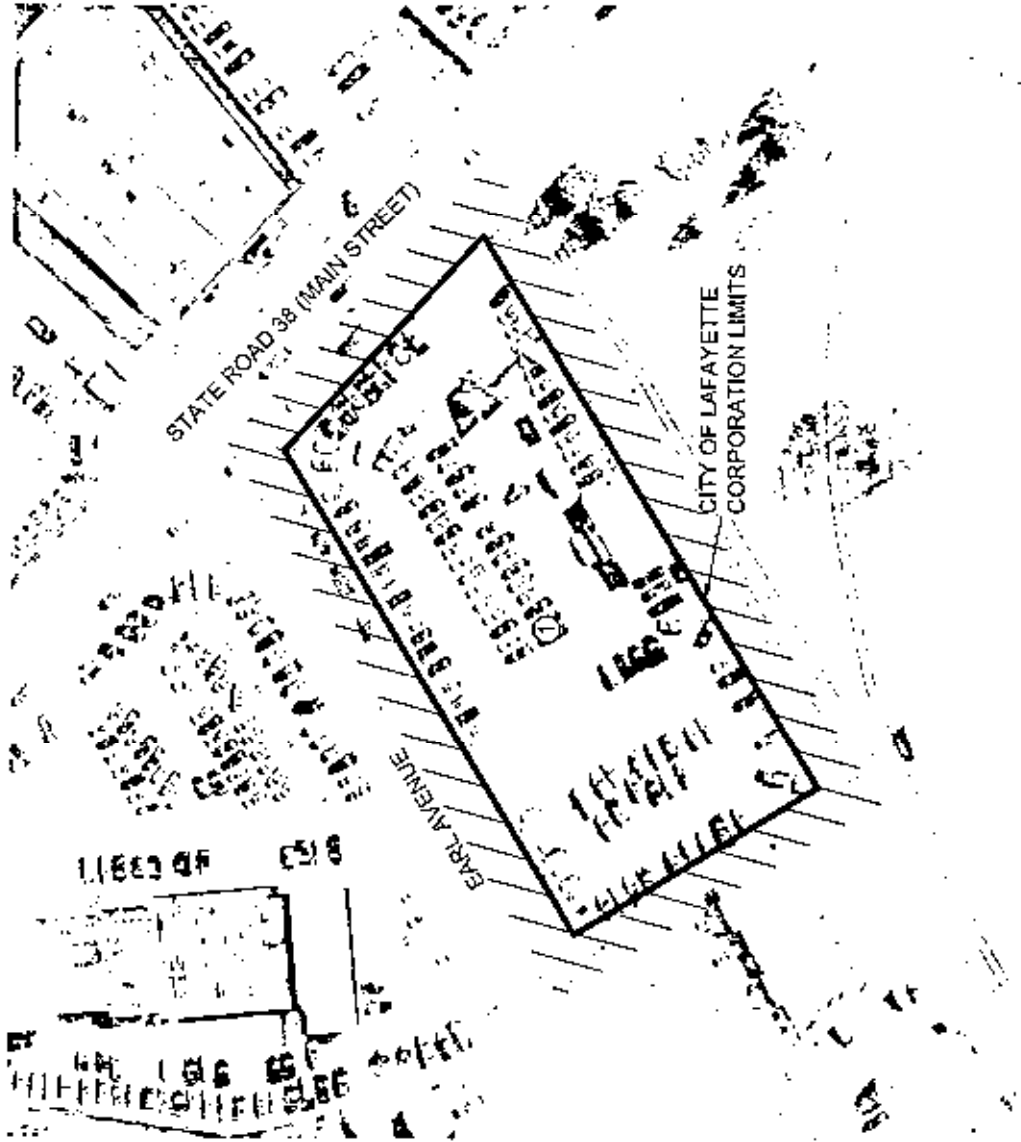
Key Number 102-00800-0094 (Mike Raisor Building, LLP)

A part of the southwest quarter of Section Twenty-seven (27), Township Twenty-three (23) North, Range Four (4) West, Fairfield Township, Tippecanoe County, Indiana, more completely described as follows, to-wit:

Commencing at the southwest corner of the southwest quarter of Section 27-23-4; thence along the south line of said southwest quarter, North 90°00'00" East, 64.90 feet to a point on the northwesterly right-of-way line of the old Belt Railway; thence along said northwesterly right-of-way line, North 58°43'00" East, 879.14 feet to the point of beginning of the herein described tract, said point also being on the south line of the Mike Raisor Building, LLP property described in Document Number 07025496, recorded on the 12th of December, 2007 in the Office of the Tippecanoe County Recorder; thence South 30°46'00" East, 58.50 feet to the southeasterly right-of-way line of said Belt Railway; thence along said southeasterly right-of-way line, North 58°43'00" East, 351.27 feet to the southwesterly right-of-way line of Main Street; thence along said southwesterly right-of-way line, North 46°56'06" West, 158.75 feet to the southeasterly right-of-way line of Earl Avenue; thence along said southeasterly right-of-way line of Earl Avenue, South 59°01'15" West, 307.05 feet; thence South 30°46'00" East, 96.00 feet to the point of beginning, containing 1.16 acres, more or less.

TOTAL EXHIBIT 9 ACREAGE:

The total combined acreage for the entire Exhibit C legal description is approximately 1.16 acres, more or less.



PARCELS		
ID	KEY NUMBER	TITLE HOLDER
1	102-00830-0094	MIKE RAISSOR BUILDING, LLP



SCALE: 1" = 100'

EXHIBIT 9
CITY OF LAFAYETTE
VOLUNTARY AND INVOLUNTARY ANNEXATION

Vester and Associates Inc.
LAND SURVEYING AND ENGINEERING

EXHIBIT 10

Legal Description – City of Lafayette, Indiana **Voluntary and Involuntary Annexation**

TOTAL EXHIBIT 10 ACREAGE:

The total combined acreage for the entire EXHIBIT 10 legal description is approximately 18.050 acres, more or less

EXHIBIT 10

LEGAL DESCRIPTION – City of Lafayette, Indiana Voluntary Annexation

Key Numbers: 146-04900-0218, 146-05200-0347 (The Lafayette Urban Railway Company)

A part of Section 14 in Township 22 North, Range 4 West, Wea Township, Tippecanoe County, Indiana, more completely described as follows:

Commencing at the northeast corner of said Section 14, thence along the bounds of tracts "D-1", "DF-1", "L-3" and "L-4" as depicted on a Plat of Survey, recorded as Instrument Number 07021240, for the following seven (7) courses: (1) along a non-tangent curve to the left, having a radius of 1001.17 feet and a chord bearing South 73°07'07" West, 598.03 feet, an arc distance of 607.30 feet; (2) South 56°08'31" West, 666.98 feet; (3) along a tangent curve to the right, having a radius of 999.99 feet and a chord bearing South 75°03'29" West, 648.40 feet, an arc distance of 660.33 feet; (4) North 86°01'21" West, 438.53 feet; (5) North 34°11'20" East, 810.44 feet to the north line of the west half of the northeast quarter of said section; (6) North 89°28'56" East, along said north line, 409.81 feet to the northeast corner of said west half; (7) North 89°53'50" East, along the north line of the east half of said northeast quarter, 1316.58 feet to the Point of Beginning, containing 18.05 acres, more or less.

CITY OF LAFAYETTE CORPORATION LIMITS

409.81'
N89°28'56"E

1316.58'
N89°53'50"E

L=607.30' R=1001.17'
CH=S73°07'07"W, 599.03'

THE LAFAYETTE UNION RAILWAY COMPANY

KEY # 146-04900-0218

KEY # 146-05200-0347

S45°08'31"W
838.98'

L=560.33' R=999.99'
CH=S15°03'29"W, 628.40'

210.44'
N94°11'20"E

217'W
53'

APPENDIX C

EXHIBIT 11

Lafayette's Annexation Policies

The City of Lafayette has previously considered the issue of annexation in significant depth and has developed a set of general policies through which it can measure whether an area is suitable for annexation to the incorporated city. These policies were approved by the City Council in 1997 and are presented as part of this Fiscal Plan as follows.

Annexation Policies: City of Lafayette, Indiana

Statement of Fact: According to the U. S. Census, the City of Lafayette has *lost population since 1970*. This statistical factor decreases the amount of stated and federal aid the city receives, even while the larger metropolitan area is growing. Furthermore, the larger metropolitan area has only grown as a result of the availability of key municipal services, which are provided by the City of Lafayette, and these new developments depend upon the presence of the city, its residents and its services as the basis for their success.

In fact, the incorporated City of Lafayette and the larger metropolitan area are one community, and should be incorporated under one unit of government. Since the middle part of the 1970's, the City of Lafayette has established a direction with regard to the City's policy toward annexation. Previous ordinances and resolutions have clearly established the City's intent to annex areas adjacent to the incorporated city, especially in cases where new or existing developments have availed themselves of municipal services.

Statement of Purpose: In order for the City of Lafayette to grow in an organized and methodical fashion, and in compliance with Indiana law, it is appropriate for the City's leadership, including the City Administration and the City Council, to establish a formal policy regarding annexation. This policy should set forth the parameters which the City will consider in determining whether the annexation of a certain area would comply with state law, and whether it is fiscally responsible and in the best interests of the City, its residents and the community at large.

In pursuit of these ends, the following statement of Annexation Policy sets forth the policies and parameters which the City of Lafayette hereby adopts as a means of guiding the future growth of the incorporated City.

Statement of Goals: The purpose of annexation is to guide and control the growth of the incorporated City of Lafayette. Therefore, the City of Lafayette hereby establishes the following general goals with regard to annexation.

1. ***That all residents and businesses, which are currently served by city water and sewers, will eventually become a part of the incorporated city.*** In order that the general public, especially those residences and businesses within the service area of the sewer and water utility, but currently outside of the incorporated city, be fairly and properly notified, this should become a matter of general public information.

2. ***That annexation actions should not result in a general property tax increase within the currently incorporated community.*** Annexation is a response to growth, and is intended to be pursued in a manner whose fiscal impact on the incorporated city is fundamentally positive. Therefore, the annexation of areas whose problems are so great that they overwhelm the revenue streams which could be used to solve the problems should be discouraged.
3. ***That the City should continue to require the execution of "waivers of remonstrance" for all development which is within the service area of the water and sewer utilities.*** Considering that the infrastructure systems to which the new development seeks to connect have been purchased by the citizens of the incorporated city, the city's agreement to extend such services in anticipation of annexation is equivalent to consensus in favor of annexation.
4. ***That all of the long-range planning for the City of Lafayette projects that the business center of the metropolitan area will become the I-65 corridor, with SR 26 serving as the commercial center and SR 38 serving as the industrial center of new growth.*** As a result, the City should pursue annexation based on priorities which support the City's future planning. In real terms, therefore, the incorporated City of Lafayette will grow toward and beyond the I-65 corridor as the primary direction of growth for the City over the next 5-15 years, with secondary growth along US 231, to the south.

Statement of Results: The result of implementing the Annexation Policies stated above will be the coordinated development of a single metropolitan community with one governmental unit responsible for providing municipal services to the entire area. Such services as roadway maintenance and improvements, snow plowing, sewer construction and maintenance, water utility, police and fire protection and other municipal services can be provided uniformly throughout the metropolitan area as a result of incorporation. Furthermore, the residents within the metropolitan area can participate in electing the local officials whose decisions will most affect their quality of life and the long term viability of the community, and the future development of the metropolitan community can be undertaken with the clear understanding that these developments are to be a part of the incorporated Greater Lafayette community.

APPENDIX D

EXHIBIT 12 FISCAL PLAN SUMMARY FOR EXTENDING MUNICIPAL SERVICES

	Est. % of	Provide	
	Current	Service	Estimated
	Coverage	in (Year)	Cost
Capital Services			(one-time cost)
Sanitary Sewer Service	100%	Existing	\$0 ¹
Water Availability	100%	Existing	\$0 ²
Street Repair	100%	Existing	\$0 ³
Drainage	100%	Existing	\$0 ⁴
Non-Capital Services			(annual cost)
Fire Protection	100%	Existing	\$0 ⁵
Police Protection	100%	Existing	\$75,000 ⁶
Street Department	100%	Existing	\$5,357 ⁷
Parks Department	100%	Existing	\$0 ⁸
Administration	100%	Existing	\$0 ⁹
Health Department & Emergency Medical	n/a	non-city	n/a ¹⁰
Total Estimated Annual Cost			(\$80,357)
Projected Property Tax Revenue To City (07 Pay 08)			\$142,035
Projected Total Excess Revenue			\$61,678

¹ The annexation area has sanitary sewer service comparable to other areas of the City.

² The annexation area already receives water comparable to other areas of the City.

³ Existing streets are in good condition. New streets in a new development would be constructed by the developer under City supervision.

⁴ The site review indicates that all developed property currently has adequate drainage. City development policies now require that new developments handle all potential drainage problems on site via storm water retention basins, which are paid for by the developer. Therefore, there is no projected increase in the cost of drainage services.

⁵ Fire Stations #5 (North Creasy Lane), #7 (South 18th Street), #8 (CR East 350 South) and #9 (CR South 475 East) will provide fire protection with no increase in manpower or equipment.

⁶ Police protection will be provided with an increase of one full-time officer plus the equipment necessary, at a cost of \$75,000 per year. This will primarily serve the Wal-Mart area of the annexation.

⁷ Estimates of Street Department (streets & sanitation) costs are based on a pro rata increase in the number of miles of roadway added to the City with annexation of the area. There will be a small addition of public streets, and thus, there will be small additional costs for street sweeping, brush clean up, and snow removal. Additional trash pick-up will be necessary, but will not result in a significant increase in costs to the City.

⁸ The Lafayette Parks Department does not screen parks users to determine place of residence. Therefore, municipal park services are already provided to the annexation area. It is not anticipated that additional parks will be required to serve the annexation area at this time.

⁹ Administrative services are provided informally. The increase in administrative services due to annexation can be absorbed through increases in technology and productivity.

¹⁰ Health Department and Emergency Medical services are offered through a cooperative contract between the City and Tippecanoe County.